

## **Report of the Town Administrator February 2011**

This commentary appeared in the Scituate Mariner this month. As it pertains to many current issues residents and town officials are now addressing, I am including it here as my monthly report. A reminder that the Town website has very informative information that we try to update regularly. Please refer to it for information and data. If there is something you would like to see that is not up there, send us an email.

To the Editor

Much concern has been expressed and written about the fiscal challenges facing our town. Debate about such issues is healthy, a constitutional right, and helps inform citizens about issues and challenges. While we certainly can not expect newspaper editors who solicit comments on such articles to fact check letters in response to them, I would ask that that at a minimum when budgetary figures are quoted and represented as fact, newspapers check with the individuals actually responsible for generating them. Such is the case with recent letters by two town residents. Both of these letters contain factual errors along with some broad generalizations not only about the budget but overrides and the collective bargaining contracts for employees. This leaves readers to infer misinformation about town finances and management that is regrettable. Regrettable because we all want the same thing: the continuation of quality town services, maintenance of our infrastructure and physical plant, and excellent education for our children. Readers of your newspaper should know that much information referred to by these letters is readily available on the Town website. It is true fixed costs are increasing. We have 22 public buildings. Like most property owners, our electrical, heating, gas, cable and telephone bills have increased during the past year. For most folks, gas for your car, insurance for your vehicles and home has also increased. So has the town's. Most of us have seen increases in our health insurance as well. But let's report accurately on what the current situation is and what we can do or are doing to address it.

The rising cost of pension for retirees, partially as a result of stock market losses the past two years, is not something within our control. Pension guidelines are set by the Commonwealth and administered by Plymouth County. The Governor has filed pension reform legislation, but the Town of Scituate must absorb these costs, there is no local control to lower this fixed cost other than fewer employees over time. The Governor has also proposed changes in health care plans. Again, on the town website is a detailed explanation provided by town and school officials as to what process must be employed to make changes in the current provision of insurance to employees. Upon review, readers will note that Scituate's costs are less than other communities because our employer contribution rate is lower. What this means is that employees bear increases almost as much as the Town so savings or efficiencies are vested mutually. For the two contracts settled on the town side, new health insurance language was negotiated.

The Financial Forecasting Committee meets regularly during the year. When all is said and done our 2 ½ percent increase results on average about one million dollars in new revenue each year. This revenue must be applied to increases in fixed costs, pays for debt service and budgetary deficits such as the December storm or paying for 36 inches snowfall.

As a town official what is troubling is the statement in the January 30 letter, *“our town employees have continued to receive regular pay increase during this economic downturn. A one-year pay freeze across the board would go a long way in solving some of our financial problems. Our municipal union leaders and the collective bargaining process work against this ever happening.”*

Now the facts: the Town has five union contracts: Laborer's (DPW), clerical, professional, fire and police. Two contracts have been settled. In FY 10 there was a 0% salary increase for professional and DPW. These contracts expired in June of 2009. We are still negotiating with clerical, police and fire; because we want to insure that what is agreed to at the table is affordable but most acknowledge that FY 10 is 0%. What does a one year pay freeze yield? On the Town side it is about \$96,000. But what is missing from the discussion is what the Town achieved in return including, among other things, concessions in overtime, snow management centralization, merit based performance evaluations, and stronger health insurance language. Further, police and fire contracts are in mediation and arbitration. This means that outside parties are involved in resolving the differences between labor and management proposals. When decided, both sides must respect the decision---decisions out of the Town and unions control. The February 3 Letter to the Editor takes the Board of Selectmen to task for agreeing to a 2% raise for professional employees. The approval of this contract settlement was the subject of two town meeting warrant articles on November 17 and detailed information was provided in the Advisory Committee Report. These articles passed overwhelming by the 275 registered voters in attendance.

The FY 11 and FY 12 budgets presented to the Board of Selectmen and Advisory Committee were balanced. We have 12 less full time positions on the town side than in 2008. We have most offices that have one department head and a support staff person working less than full time in public buildings that do not conform to current business functions. We are weathering the worst winter in 30 years. Yet unlike many communities, our home values have remained steady and we have actually moved forward in a number of directions—you can see for yourself by reading the Town's report on financial condition on the Town's website. Can we do more—always. Can we be better at what we do? For sure and we are doing that. But the kind of vitriol evidenced in the two most recent letters do not reflect the true nature of our current predicament.

So, when we talk about the challenges ahead, let's make sure the basis for assumptions are grounded in factual data and conclusions.

Patricia Vinchesi  
Town Administrator

